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SUBJECT: NAGORNO-KARABAKH: FORCES ALIGN BEHIND THE STATUS
QUO

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[1](#)C. CARPENTER-KAIDANOW 9/11 E-MAIL

Classified By: AMB Marie L. Yovanovitch, reasons 1.4 (b,d).

SUMMARY

[1](#)1. (C) According to Armenian political observers, resolution of the Nagorno-Karabakh (NK) conflict is nowhere on the horizon. Armenian society is quite comfortable with the status quo, has no appetite for compromise, and is completely confident of victory should this frozen conflict turn hot, we heard. The Azerbaijani public, stirred into hysteria by President Aliyev, is perhaps even less inclined toward the concessions necessary to a peace agreement, Armenian interlocutors believe. And in NK, there is zero interest in compromise. Russia only wants to appear constructive while reaping benefits from continued tension; Europe is mostly content with a relative peace that does not require any of their peacekeepers; leaving only the U.S. pushing for stability in order to secure regional energy supplies, observers say.

[1](#)2. (C) President Serzh Sargsian, a Kharabakhi and a commander who has seen the ravages of war, has committed to finding a peaceful resolution to the NK conflict during his tenure. But given this political landscape, Sargsian will proceed with extreme caution in Minsk Group negotiations, recognizing that overreach on Nagorno-Karabakh may be the one thing that could bring him down, as it did Ter-Petrosian in 1998. He will continue to maneuver within the limited political space available, watching for openings he can exploit, but willing to let the process play out indefinitely if he cannot gain the upper hand. We must take steps now, and possibly for years ahead (e.g. through cross-border programs) to expand the political space for reconciliation and compromise in Armenia, NK, and Azerbaijan. A parallel cable from Embassy Baku will explore the political backdrop to NK in Azerbaijan, while Embassy Yerevan and Embassy Baku will jointly address possible measures to promote reconciliation septel. END
SUMMARY

INTRODUCTION

[1](#)3. (C) Nagorno-Karabakh (NK) has captured more than its share of headlines in Armenia in recent months. The July 10 statement of the French, Russian and U.S. presidents calling on Armenia and Azerbaijan to endorse the "Madrid Principles" for resolving the conflict catalyzed political interest about the trajectory of negotiations. Turkish public comments about progress on NK being a necessary precondition for opening the border with Armenia have further contributed to the public churn about what the Armenian position is and

should be on NK. To gauge reactions and the current thinking on the issue, we recently talked with the following leading political observers:

--Vartan Oskanian, Former Foreign Minister and current Director of Civilitas Foundation
--Samvel Nikoian, Deputy Speaker of the National Assembly
--Tevan Poghosian, Executive Director of the International Center for Human Development
--Richard Girakosian, Director of the Center for National and International Studies
--Tigran Mkrtchian, Executive Director of the Armenian International Policy Research Group
--Garnik Isagulian, Presidential Representative to the National Assembly
--Gegham Sergsian, Director of the National Democratic Institute
--Artyom Yerkanian, political analyst for Shant TV
--Davit Hovannisian, Director of the Center for Civilization and Cultural Studies and former Ambassador to Syria
--Stepan Grigorian, Chairman of the Analytical Center on Globalization and Regional Cooperation
--Alexander Iskandarian, Director of the Caucasus Institute
--Karen Bekarian, Chairman of the NGO European Integration

One thing that came through clearly in all of our conversations was a profound skepticism that resolution of the conflict would happen anytime soon.

NO TASTE FOR COMPROMISE

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14. (C) A primary obstacle to a negotiated settlement, our interlocutors uniformly argued, was that the Armenian people were neither interested nor ready for the sorts of compromises that would be necessary for peace. As the winners of the war, holding the upper hand and the high ground, Armenians saw little reason for flexibility, we heard. "Armenia sees Karabakh as its first military victory in 3000 years," Richard Girakosian of the Center for National and International Studies explained. They're not now inclined to surrender what they see as their hard-won gains in one of the ancient birthplaces of Armenian civilization. As Garnik Isagulian, The President's Representative to the National Assembly and former National Security Advisor, saw it, negotiations that ignore facts on the ground will meet with stiff resistance in Armenia: "The Karabakh people won this war. Today, the Minsk Group is telling the winners, 'You must satisfy the demands of the losers, then in 10 or 20 years we'll give you the part that is yours?!'" Tevan Poghosian succinctly captured what seems an all-too-common Armenian attitude in saying, "The status quo is perfect - no war, no peace, and not too much killing."

15. (C) The security and status of the land connecting NK to Armenia was a point of particular inflexibility for Armenians, we heard. Political journalist Artyom Yerkanian, one of the more progressive of our interlocutors, believed that Armenian society could possibly accept giving back five of the seven territories around NK as part of an eventual peace deal, but because of a complete lack of trust in the Azerbaijanis, would never agree to surrendering Lachin and Kelbajar, the two territories connecting NK to Armenia. If Kelbajar and most of Lachin (all except for a narrow corridor, as is being discussed) went over to Azerbaijan allowing the Azeris to surround NK, "the temptation would be huge for them to try to take NK back by force," Yerkanian said.

16. (C) Samvel Nikoian, Deputy Speaker of Parliament and a member of the ruling Republican Party, agreed that a corridor vulnerable to closure was a critical issue, and that the majority of the population would not accept giving back

Kelbajar. "I think this is going to be a very long-term process, because what is envisaged as a solution (in the Minsk Group), maybe five to ten percent of the population would be for it," he speculated. Isagulian, who opposes giving up one inch of land to Azerbaijan, was unequivocal about the possible hand-over of Kelbajar and Lachin: "From a political perspective, it's dumb. From a military perspective, absurd. Enough solving issues at the expense of Armenian interests!"

WHAT IF THE STATUS QUO IS UNSUSTAINABLE?

17. (C) The status quo may suit most Armenians fine. But what if war returns, we asked. As Yerkanian put it, Armenians recognize things could explode, but the prevalent attitude is: "If war comes, we're ready; we'll win." Armenians are quick to recall tales of Armenian and Karabakhi heroism against long odds during the last war, and see past as prologue. Isagulian shared this assessment: "In 1991, there were battles where Azeri fighters outnumbered Karabakhi fighters ten or twelve to one. They had 52 planes. We had none. They had 1000 tanks. We had none. If they start something, maybe we'll enter Nakhichevan (the isolated Azerbaijani territory west of Armenia) this time. You have good information about the moral and psychological situation in the Azeri army. They're not fighters. If they want to fight, God help them."

18. (C) Could Azerbaijan gain the upper hand with time? After all, Baku has oil money flooding in and its defense budgets are fat and getting fatter. Yerkanian argued that Armenians should be concerned, since serious research on demographics and resources shows time is not on the Armenian side. But, he said, Armenians are not prone to such worries. As Stepan Grigorian, Chairman of the Analytical Center on Globalization and Regional Cooperation, explained, Armenians don't engage in such rational calculation, calling it "too western." The Armenian calculation, he said, is an easy one: "We won; we're not giving up." Those inclined to give it more thought, he noted, might argue: "Yes, we're under a blockade, but we've adapted. Yes, Azerbaijan has oil, but that advantage is undermined by its worse corruption, which extends into and weakens the Azerbaijani military." Karen Bekarian, Chairman of the NGO European Integration, notes that with each press report of increased Azerbaijani defense spending, articles appear in the Armenian media about the same volumes of

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equipment being donated to Armenia by Russia. "True or not, it allows people here to believe Azerbaijan isn't gaining," he said.

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ELSEWHERE, NO REAL IMPETUS TO SOLVE THIS EITHER

19. (C) As unprepared as Armenian society may be for compromise on NK, in Azerbaijan it's worse, according to the assessments of our Armenian contacts. Yerkanian, who since 2001 has tried working with his media counterparts in Azerbaijan on efforts to build an "atmosphere of trust" between the two countries, believes President Aliyev has whipped his population into a radicalized lather on NK. "If some agreement is reached, how will they square that with their past rhetoric? It would take decades to shift attitudes," he assessed, echoing the thoughts of many others.

110. (C) If the Armenian and Azerbaijani populations are not ready to swallow a compromise, nor are other external parties interested in force feeding one, we heard. "The current situation is fine for all, including the international community. In what other conflict do you have a cease-fire with no peace-keepers? It works," Bekarian said. Poghosian suggested that the U.S. was the only country pushing for

stability in the region for energy-related reasons. He stated that the status quo had certain advantages over a formal resolution: "Europe would have to send peace-keepers. Why would they want to do that when power is balanced now?"

¶11. (C) As for Russia, several interlocutors argued that it was happy to have the conflict go unresolved, as it strengthened Russia's justification for maintaining its military presence in Armenia. "Without Karabakh and the related tensions with Turkey, Russia loses the logic of its presence," Poghosian argued. Only if the Russians were to provide the peace-keepers to enforce an agreement would Moscow be interested in resolution, he added. Bekarian (and others) agreed that Russia lacks real motivation: "Without a hotspot remaining in the south Caucasus, the Russians wouldn't have the same levers to impede energy and other projects not convenient to them." He suggested that, following the Georgian war, Russia tried to show leadership on NK to demonstrate that it could be helpful in the south Caucasus. But he believed that the appearance of being helpful served Russian interests better than forging an actual solution.

¶12. (C) The greatest resistance to change, however, comes from NK itself, where Armenian nationalism and stubbornness pale by comparison, we heard. Vartan Oskanian, Director of Civilitas Foundation and former Foreign Minister, told us that without support from NK, any agreement would be problematic for Sargsian, giving the opposition a real angle of attack (ref A). Yerkanian agreed, adding that the GOAM could pressure NK authorities, but not NK society. According to Bekarian, "There is a wrong understanding in the west that President Sargsian can impose a decision on NK. But if the president of Karabakh appeals to Armenian society saying that Sargsian has betrayed them, Armenian society will back Karabakh." Bekarian added that 15 years had been lost because nobody had worked with Karabakhi society to make them more tolerant and prepare them for peace. "The more we postpone working with them, the more we raise the risks in signing any agreement," he worried.

THE THIRD RAIL OF ARMENIAN POLITICS

¶13. (C) Against this backdrop, bold moves from Sargsian would bring great political risk, we heard. In fact, most interlocutors believed that only a misstep on NK could threaten Sargsian's hold on power. Alexander Iskandarian, Director of the Caucasus Institute, noted that the opposition in Armenia had been reduced to a one-man show, and an anemic one at that. While Iskandarian admired Levon Ter-Petrossian's (LTP) ability to rally the forces of opposition around the deeply flawed elections of 1998, LTP lacked the resources and political stamina to present any kind of an ongoing threat. However, a Sargsian compromise on NK could give him an opening, Iskandarian (and others) claimed. "He needs something bad to happen on NK -- that's his only hope. And Sargsian knows only NK could be a rallying cry for the opposition -- he played that card himself in 1998." Tigran Mkrtchian, Executive Director of the Armenian International Policy Research Group, agreed that concessions on NK would make Sargsian vulnerable. But rather than opening the door to LTP, Mkrtchian and Girakosian gave

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better odds to Speaker of Parliament Hovik Abrahamian forcing Sargsian's resignation and assuming power himself, likely with the blessing (if not at the direction) of former President Kocharian.

WHAT SERZH WANTS

¶14. (C) Given the risks that concessions on NK would present,

Sargsian will be extremely conservative, if not intransigent, going forward, our interlocutors ventured. As Davit Hovanissian, Director of the Center for Civilization and Cultural Studies and former Armenian Ambassador to Syria, saw it, "The main logic is unchanged from the Kocharian period -- maintain the status quo." Sargsian has hinted as much on separate occasions, with both former Minsk Group Co-Chair Bryza (ref B) and Personal Representative of the OSCE Chairman in Office on NK, Andrzej Kasprzyk (ref C). When describing his NK strategy, he used the expression, "If you're stuck in the mud, don't move or you'll only dig yourself in deeper." At the same time, we heard, Sargsian has an interest in appearing conciliatory, at least relative to Aliyev. "Armenian diplomacy on NK is based on the gamble that it will be the Azeris who say no," Girakosian claimed.

¶15. (C) Others believe Sargsian genuinely wants to move toward resolution, but with extreme patience and caution. As Bekarian put it, "What result does he want. A peace treaty? No. A process - yes. Steps are important, but there is no resolution on the horizon. There are problems, but the direction is right." According to Iskandarian, "The status quo will remain, but the process will continue." He suggested that the language in the Meindorf declaration reflected this focus on continuation of the process, with little substance beyond saying "peace is better than war." He cautioned against impatience or urgency: "Remember, Kashmir has been frozen since 1948, Cyprus since 1974 -- why would you think NK could be resolved in two months? I know Americans are an optimistic bunch, but what has changed? Diplomats should sometimes be lazy," he advised.

¶16. (C) There is one sense in which Sargsian is ready for compromise now, we heard. As Nikoian explained, for Armenians, "Compromise means being able to keep what is yours and tricking your enemy into accepting it." Several contacts spoke of Sargsian's love of chess, suggesting that in negotiations, the President was playing a patient game, waiting for the opening that would allow him to outmaneuver Aliyev and seize victory. But Sargsian overestimates his own cleverness, we heard. As Hovanissian put it, "He's just not that crafty."

COMMENT

¶17. (C) Sargsian has told us many times that he wants a peaceful resolution of NK on his watch. While he may, as our interlocutors have suggested, merely be trying to give the appearance of commitment, we believe we should take him at his word. At the same time, we need to recognize the constraints he faces. His position is further complicated by declarations out of Turkey that the border will not open until there is "progress" on NK. Finding a step he could take now that would strike the Turkish Parliament as sufficient without creating the impression of betrayal among his domestic and diaspora constituency will obviously be difficult, and he may conclude, impossible. If he cannot locate that golden mean, Sargsian may continue to play a long game on NK, and hope for the best with the Turks. And if presented with a clear choice between Turkey-Armenian normalization and NK, Sargsian -- and any Armenian -- will pick NK every time. Turkey-Armenia rapprochement aside, nothing in Sargsian's calculations argues for urgency on NK -- quite the opposite. Sargsian would welcome progress, but only on the very narrow terms that would protect his political viability. Thus, he will continue to maneuver, watch for openings he can exploit, but will be willing to play to a stalemate if clear victory is not available.

¶18. (C) For our part, we must recognize that peace in NK cannot be forged at the negotiating table. An agreement that strains against the boundaries of the politically possible might be bold. A settlement that ignores those constraints is just more paper, albeit with the power to bring down a government. We must focus our efforts on expanding the political space for reconciliation and compromise, in

Armenia, Azerbaijan, and NK (to be addressed septel). We should encourage steps, both small and large, to build trust

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among the populations where none exists. We need to recognize that in both countries, a generation has grown up ignorant of a time when Armenians and Azeris lived together as neighbors and friends; that a common language and educational system has been lost; and that time only adds to the ranks of those who know the other side only as dehumanized adversaries. Time is the enemy of reconciliation. Our own creativity, patience and persistence now in promoting cross-border tolerance and understanding could give the negotiating parties more room for maneuver and increase the prospects for a negotiated settlement that can actually secure peace.

YOVANOVITCH